Annex

In accordance with Security Council resolutions 1575 (2004), 1639 (2005), 1722 (2006), 1785 (2007), 1845 (2008), 1895 (2009), 1948 (2010), 2019 (2011), 2074 (2012), 2123 (2013), 2183 (2014) and 2247 (2015), please find enclosed the forty-second report on Operation Althea to the United Nations Security Council (see enclosure).

(*Signed*) Federica **Mogherini**

Enclosure

Report by the High Representative of the European Union for Foreign Affairs and Security Policy on the activities of the European Union military operation in Bosnia and Herzegovina

I. Introduction

1. The present report covers the period from 1 September 2015 to 29 February 2016.

2. The Security Council, in its resolutions 1575 (2004), 1639 (2005), 1722 (2006), 1785 (2007), 1845 (2008), 1895 (2009), 1948 (2010), 2019 (2011), 2074 (2012), 2123 (2013), 2183 (2014) and 2247 (2015), requests that Member States, acting through or in cooperation with the European Union, report to the Council on the activities of the European Union military operation (EUFOR) at least at six-monthly intervals. This is the forty-second such report.

II. Political background

3. The latest reporting period on the EUFOR Althea mission was marked by a continuation of the reform efforts which led the country's Presidency to submit an application for EU membership on 15 February 2016. The EU aspirations of Bosnia and Herzogovina, as shown by the submission of their application, confirmed the readiness of the country's leadership to continue on the reform path and deliver on the necessary steps ahead. Regional cooperation continued.

4. While Bosnia and Herzogovina authorities have continued to address reform priorities and implement the reform agenda, the stability of the State-level ruling coalition, which was formed in October 2015, as well as of the governments of the Bosnia Herzogovina (BiH) Federation (FBiH) and the Republika Srpska (RS) entities was under strain owing to tensions between leading political parties.

5. Concerning the calls from the *Republika Srpska* entity's leadership for a referendum on the State-level judiciary, Respublica Srpska President Milorad Dodik announced in January that this referendum initiative would be put on hold in order to seek an appropriate solution through the EU-BiH Structured Dialogue on Justice. This referendum can be reactivated at any time, as the Respublica Srpska national assembly's decision of 15 July 2015 is still in place, and remains a matter of serious concern. Continued secessionist rhetoric is unacceptable; it disrupts the ongoing reform efforts and undermines stability and progress in BiH.

6. The renewal of the mandate of the EUFOR Althea operation at the Security Council in November 2015 further contributed to consolidation of BiH's stability and security.

7. The first Stabilization and Association Agreement (SAA) Council and Stabilization and Association Committee took place in December 2015 with constructive outcomes, including BiH's acceptance of the EU traditional trade methodology for the adaptation of the SAA following Croatia's accession to the EU; as a consequence, negotiations between BiH and the EU resumed in February on this basis; with the expectation from the EU that BiH will reach an agreement on the

technical adaptation of the SAA as a matter of urgency. Implementation of the reform agenda continued with some further reforms, including strategies and legislation, being adopted and starting to be implemented. While making considerable progress, BiH continued to lag behind in the reporting period.

8. The governments of BiH and Serbia held their first joint session in Sarajevo in November 2015, following a visit of the BiH Presidency to Belgrade in July, signalling improved relations after the tensions created around and during the twentieth commemoration of the Srebrenica genocide. High-level bilateral meetings also took place with the Croatian leadership, including members of the Presidency of BiH taking part in the inauguration of the Croatian President, who subsequently paid her first visit abroad to BiH. The Croatian Minister of Foreign and European Affairs paid his first official visit to BiH a few days following his appointment in January this year. A number of regional initiatives and bilateral agreements with neighbours of BiH were also promoted.

9. In the coming months, reform efforts should be maintained irrespective of the October 2016 local elections, in particular to address the difficult socioeconomic situation. BiH should enhance its constructive regional role and be ready to face regional and global challenges.

III. Security situation and EUFOR activities

10. The security situation in BiH overall was calm and stable during the reporting period; yet stability has not been entrenched. The reporting period saw no threat to the safe and secure environment, even though the attack in the Rajlovac area of Sarajevo in November, in which an armed individual killed two Bosnian soldiers and injured four others, was cause for concern.

11. Some actions were taken by the political leadership to start addressing the socioeconomic problems. However, the dire socioeconomic situation remained a prime factor of concern, requiring effective and sustained reform efforts. The root causes of the socioeconomic tensions have to be addressed to achieve long-term stability. In addition, polarizing and secessionist rhetoric persisted in the reporting period. Moreover, global challenges such as the return of foreign fighters and mixed migratory flows may in the future put additional pressure on this relatively fragile security environment and on the law enforcement agencies.

12. Some improvements were made regarding the capacities of the BiH law enforcement agencies while challenges and shortfalls also remain. There are substantial structural and tactical issues within the police still to be solved. In particular, Command and Control at the strategic and operational levels remain weak and law enforcement agencies remain fragmented, uncoordinated and vulnerable to political manipulation and obstruction.

13. On 23 September 2015, the Ministry of Civil Affairs hosted the first Demining Board of Donors meeting at the principals' level, after the donors' decision to reconstitute the Board on 26 May 2015. The meeting was co-chaired with the United Nations Development Programme (UNDP), which provides this function according to the provisions of the Law on Demining (2002). The need for more transparency and renewed trust between the donors and the BiH authorities, as well as addressing the serious governance shortfalls of this sector were assessed as

preconditions to sustain an appropriate level of engagement from the donor community and the operation Althea capacity-building and training support.

14. Operation Althea continued to implement its capacity-building and training tasks successfully while engaging in a more integrated approach with the North Atlantic Treaty Organization (NATO) in that area. The EUFOR Althea operation Headquarters stood ready to support the BiH authorities' efforts to maintain the safe and secure environment. EUFOR's presence on the ground, including through its liaison and observation teams, remains an important contribution to stability and security. The operation is well configured to deliver its main efforts, but continued political obstacles and shortfalls of the Armed Forces of BiH side, as well as a large amount of resources dedicated to guarding and managing an obsolete surplus of weapons and ammunition, still need to be fully addressed for the Armed Forces of BiH to entirely benefit from the capacity-building and training offer.

15. The Armed Forces of BiH managed to increase the disposal rate of ammunition, weapons and explosives surplus, and make progress in inventory thanks in part to the support provided by the Organization for Security and Cooperation in Europe, the EU and other partners in the international community.

IV. Outlook

16. The positive momentum on the EU path in BiH and progress achieved so far reduced the stalemate that BiH has been facing in the past years. Meaningful progress on the implementation of the agenda for reforms will be necessary for the membership application of BiH to be considered by the EU. At the same time, BiH is also expected to ensure the functionality of a coordination mechanism on EU matters and adapt the SAA following the accession of Croatia to the EU. Reconciliation in BiH and within the region must also remain a priority.

17. The security situation in BiH overall was calm and stable during the reporting period; yet stability has not been entrenched. Continued attention should remain on further improving the dire socioeconomic conditions. Global challenges such as the return of foreign fighters and possible mixed migratory flows may in the future put additional pressure on this relatively fragile security environment and on the BiH law enforcement agencies.

18. While important challenges remain, the renewed approach by the EU should be seized to retain a positive political momentum.